



1/24/06

## GENERAL ORDERS

**SB 472 (Kuipers)**

**SB 475 (Hardiman)**

**SB 476 (Sanborn)**

The bills would amend various statutes to eliminate certain commissions, committees, boards, and panels that were established to assist, evaluate, or oversee. These commission are no longer used and are being removed.

SB 472 would amend the Michigan Superconducting Super Collider Act to require that all powers and duties granted to the Michigan superconducting super collider commission under the Act be performed by the Department of Labor and Economic Growth. Currently, the Act states that, effective July 1, 1991, the powers and duties of the commission must be transferred to and performed by the Department of Commerce and that the commission must be dissolved.

- *SB 472 was moved to 3<sup>rd</sup> reading of Bills.*
- **Basham 1 was withdrawn.**
- **Basham 2 was not adopted [no RC].**
- **SB 472 passed with IE [RC 18: 23 yes, 12 no].**

SB 475 would amend Public Act 175 of 1982, which created the State Research Fund, to delete provisions pertaining to the formation and function of a feasibility review panel. The Act provides that within 60 days after receiving a proposal for a grant from the Fund, a feasibility review panel must review the feasibility of the proposal and advise the Department of Labor and Economic Growth (DLEG) as to whether the proposal complies with the funding criteria, and recommend the amount and priority of the grant to the DLEG Director. Under the bill, the Director of DLEG would have to determine the amount and priority of the grant.

- *SB 475 was moved to 3<sup>rd</sup> reading of Bills.*
- **Basham 1 was withdrawn.**
- **Basham 2 was not adopted [no RC].**
- **SB 475 passed with IE [RC 19: 23 yes, 13 no].**

SB 476 would amend the Michigan Strategic Fund Act to delete a requirement that the Fund appoint an advisory committee containing individuals with the necessary academic or professional credentials or capacity to assist in determining the selection of present and emerging technology and for the purpose of evaluating applicants for financial aid.

- *SB 476 was moved to 3<sup>rd</sup> reading of Bills.*
- *Basham 1 was withdrawn.*
- *Basham 2 was not adopted [no RC].*
- *SB 476 passed with IE [RC 20: 23 yes, 13 no].*

#### **HB 5039 (Casperson)**

HB 5039 would allow a physician licensed in another state that borders the county to serve as medical examiner in a county that does not have an accredited hospital. The recent retirement of the Menominee County medical examiner presents a problem for the sparsely populated Upper Peninsula county located on the Wisconsin border, because it has no hospital and few doctors licensed to practice in Michigan. Apparently, most residents receive medical care from providers in Wisconsin. The county could join with a neighboring county to appoint joint medical examiner, but the distance between communities in the adjoining counties would make such an arrangement impractical. The bill would allow the county to appoint as medical examiner a doctor who practices in Wisconsin.

- *HB 5039 was moved to 3<sup>rd</sup> reading of Bills.*
- *HB 5039 passed with IE [RC 21: 36 yes, 0 no].*

#### **HB 5281 (Gaffney)**

HB 5281 would amend the Drain Code to provide that, if a drain project involved a county with a population over 1 million, the drainage board would have to include an individual appointed by each participating county's drain commissioner. (The requirement would apply only to an intercounty drain project involving Wayne County.) As required by the Drain Code, the board of the Milk River Intercounty Drain consists of the Director of the Department of Agriculture and the drain commissioner of each county involved in the project. Apparently, some Wayne County homeowners pay more than \$600 annually in assessments for the drain and do not believe that the drainage board is responsive to their concerns about the size of the assessments because their drain commissioner is appointed, not elected. The board of an intercounty drainage project including Wayne County would be more accountable to the property owners affected by the project if a locally elected representative from each county involved were added to the board.

- *Toy 1 was adopted [no RC].*
- *HB 5281 was moved to 3<sup>rd</sup> reading of Bills.*
- *HB 5281 passed with IE [RC 22: 35 yes, 1 no].*

#### **HB 5447 (Jones)**

House Bill 5447 would amend the Michigan Occupational Safety and Health Act (MIOSHA) to prohibit the establishment of rules or standards regarding workplace ergonomics. Under the bill, a department, board, or commission authorized to promulgate rules under MIOSHA could not promulgate a rule or establish a standard regarding workplace ergonomics, but could provide guidance, information on best practices, or assistance for the voluntary implementation or practice of a workplace ergonomics program.

- *HB 5447 was moved to 3<sup>rd</sup> reading of Bills. [no amendments].*
- **HB 5447 passed with IE [RC 23: 22 yes, 14 no].**

## **THIRD READING OF BILLS**

### **SB 579 (Gilbert)**

Senate Bill 579 would offer the affected company, Pro-Weld, the opportunity to receive the tax relief company officials believed it would receive when it moved to Port Huron. The company evidently was recruited to site its operations in Port Huron with the understanding that the facility was located on property that was within the city's industrial development district and that the facility would be eligible for an industrial facilities exemption certificate. Pro-Weld should be taxed under the Act as if the facility had been granted the certificate in October 2001, the month after the district was expanded to include the Pro-Weld facility, because its failure to comply with the Act was the result of a mistake by the Economic Development Alliance of St. Clair County and not the company

- **Gilbert 1 was withdrawn.**
- **SB 579 was moved to 3<sup>rd</sup> reading of Bills. [no amendments].**

### **SB 802 (Allen)**

The Michigan Economic Growth Authority (MEGA) Act is designed to promote economic growth and job creation in the State by offering single business tax (SBT) credits to firms that create and maintain jobs in Michigan. Awarding these credits reportedly has been an effective economic development tool, but officials from the Michigan Economic Development Corporation (MEDC) (which provides staff for MEGA) apparently believe that the Act should be less restrictive. The Act allows MEGA to enter into an agreement to provide SBT credits with an eligible business already located in Michigan if the business agrees to maintain at least the number of full-time jobs that it maintained in Michigan before expansion. By allowing MEGA to adjust the number of full-time jobs that must be maintained in order to account for a business's decrease in full-time employment due to divestiture of its operations, the bill would accommodate businesses that might need to sell or spin-off some of their operations sometime after receiving a MEGA SBT credit. The bill would allow the credit to continue only if a single other employer continued to maintain those full-time jobs in Michigan and MEGA determined it could monitor the maintenance of the jobs by the other employer, so the Act's goal of keeping jobs in the State would continue to be met.

- **Committee S-1 was not adopted.**

- Allen 2 was adopted.
- SB 802 was moved to 3<sup>rd</sup> reading of Bills

### **SB 883 (Hardiman)**

Senate Bill 883 would amend the Revised Judicature Act (RJA) to allow the addition of one judgeship in the 17th Judicial Circuit, which consists of Kent County and currently has nine judges.

- SB 883 was moved to 3<sup>rd</sup> reading of Bills [no amendments].

### **SB 900 (Jelinek)**

Senate Bill 900 would amend the Michigan Renaissance Zone Act to double the number of agricultural renaissance zones that may be designated, and require the State Administrative Board to consider certain factors when designating a zone. The Act allows the State Administrative Board to designate up to 20 renaissance zones for agricultural processing facilities in the State in one or more cities, villages, or townships, provided those entities allow the creation of the zones for that purpose. The bill would allow the Board, upon recommendation of the Agriculture Commission, to designate up to 40 agricultural renaissance zones.

- Committee S-1 was adopted.
- SB 900 was moved to 3<sup>rd</sup> reading of Bills

### **SB 907 (Cropsey)**

Senate Bill 907 would amend the Revised Judicature Act (RJA) to allow the addition of one judgeship in the Seventh and 49th Judicial Circuits. The Seventh Judicial Circuit consists of Genesee County and currently has nine judges. The 49th Judicial Circuit consists of Mecosta and Osceola Counties and currently has one judge.

- Committee S-1 was adopted.
- SB 900 was moved to 3<sup>rd</sup> reading of Bills

### **SB 922 (Sikkema)**

Senate Bill 922 would allow Modern Plastics Corporation (MPC) is an automotive supplier that has been based in Michigan since 1937, currently operating in Benton Harbor, Coloma, and New Buffalo. Indiana reportedly has offered tax incentives to MPC to encourage the company to relocate there. According to testimony given before the Senate committee, the company would prefer to stay in Michigan, but can afford to do so only if the existing renaissance zone in Benton Harbor is expanded to include its facility there. The plant is adjacent to the Graham Avenue renaissance zone, and the bill would allow the extension of that zone to include the MPC plant. The company reportedly plans to consolidate its operations, transferring about 60 employees from another plant and hiring an additional 40 individuals from the Benton Harbor area. The bill would encourage a long-time Michigan company to remain in Michigan, rather than moving to

Indiana. In addition, the bill would help create jobs in the struggling Benton Harbor area. The bill also would allow the expansion of the Carson City/Northshade Township renaissance zone on the border between Montcalm and Gratiot Counties. This would provide an incentive to an out-of-State company that is planning on building a new nursing home in the area, potentially creating 90 to 100 jobs. Michigan needs to encourage out-of-State companies to locate in this State in order to revive its economy, and the expanded renaissance zone could stimulate new economic growth and bring new jobs to Michigan.

- Cassis 1a was adopted. (adds onto the bill the Ford Wixom plant)
- Committee S-1 was adopted.
- SB 922 was moved to 3<sup>rd</sup> reading of Bills

#### **SB 925 (Sanborn)**

Senate Bill 925 would amend the Revised Judicature Act (RJA) to allow the addition of one judgeship in the 16th Judicial Circuit, which consists of Macomb County and currently has 12 judges.

- SB 925 was moved to 3<sup>rd</sup> reading of Bills [no amendments].

#### **SB 946 (Bishop)**

Senate Bill 946 would amend the Revised Judicature Act (RJA) to allow the addition of one judgeship in the Sixth Judicial Circuit, which consists of Oakland County and currently has 19 judges.

- SB 946 was moved to 3<sup>rd</sup> reading of Bills [no amendments].

#### **SB 955 (Stamas)**

Senate Bill 955 would amend the Revised Judicature Act (RJA) to allow the addition of one judgeship in the 55th Judicial Circuit, which consists of Clare and Gladwin Counties and currently has one judge.

- SB 955 was moved to 3<sup>rd</sup> reading of Bills [no amendments].

#### **HB 4733 (Baxter)**

#### **HB 4734 (Elsenheimer)**

#### **SBT CREDIT: MEGA APPROVAL**

The bills would create a new category of brownfield SBT tax credits for projects that were \$2 million or less, and create a streamlined process for businesses to claim the credit. Small businesses understand that there is a finite pool of only \$30 million in credits that MEGA may issue each year for projects of \$10 million or less, and evidently believe that they are often competing for credits against larger projects to which MEGA may give higher priority. The bill

would allow MEGA to issue credits of up to \$200,000 each for a total of \$10 million of these credits each year. These credits would be offered in addition to the \$30 million in credits currently available for projects of \$10 million or less. If small businesses knew that smaller credits were set aside for them and that they were no longer competing against larger projects for the credits, they would be more likely to apply for them. Currently, all businesses seeking credits of up to \$1 million must go through the same application and approval process. Often, a business needs the credit to make the project profitable. The current application process forces businesses to wait months to see whether they will be allowed the credit they need to start work on their project.

- Committee S-1 was not adopted.
- Sanborn S-2 was adopted.
- HB 4733 was moved to 3<sup>rd</sup> reading of Bills

HB 4734, the chairperson of MEGA (or a designee) would have to approve an application for a credit of \$200,000 or less within 45 days of receiving the application. By putting these projects on the fast track, the bill would allow businesses to move more quickly on their projects and reduce the time spent waiting for approval. By giving MEGA only 45 days to approve brownfield SBT credits for projects of up to \$2 million, the bill would almost assure that businesses seeking a credit would receive it, regardless of whether they deserved the credit. It would be difficult for MEGA to review applications properly within the 45-day period, especially if the number of applications for smaller projects increased significantly, which would be expected under the bill. Limiting on-site inspections also would impede MEGA's ability to distinguish between good and bad projects when it came to issuing credits. In addition, there is a concern that businesses would receive credits for "functionally obsolete" buildings where the only problem with the structure was that it did not have high-speed internet access, or that the phone system needed to be upgraded.

- Committee S-3 was not adopted.
- Cassis 2a amendment was adopted.
- Sanborn S-6 was adopted.
- HB 4734 was moved to 3<sup>rd</sup> reading of Bills